



To: Faculty and Staff

From: Steve Kinslow

Date: February 19, 2010

Subject: FY 11 BUDGET AND BOARD POLICY F-10 REVISIONS

As we have done in previous memos, we are providing faculty and staff with updates on topics of interest to employees. The Board has discussed Board Policy F-10, Employee Compensation for several years. At its February meeting the administration presented proposed changes, rationale for those changes, and responses from the employee associations. At the March meeting the Board will be asked to adopt the proposed policy. This memo as others issued earlier, provides information and responds to misinformation about this topic.

The board and administration have consistently expressed a high regard for all employees, and will continue to do so. Our commitment has been demonstrated by the following:

- We are proud that market-competitive salaries have been achieved for all employee groups; the commitment to maintain market-competitive salaries has not changed.
- In the past budget cycles, market adjustments were made for all employee groups with administrators being the last group to reach market competitive salaries.
- The college has avoided layoffs while other local organizations (AISD, UT Austin, and the City of Austin) are experiencing freezes in staffing and reductions in staffing.
- The college is in the fourth year of the Five Year Hiring Plan and has maintained its commitment to hire 30 new full-time faculty each year, and essential support staff, to meet the growing student enrollment at ACC.
- ACC's top priority is student success, and utilizing the resources of the college to advance our mission and core goals.

Faculty and Staff
February 19, 2010
Page 2

The suggested revisions to Board Policy F-10 reflect our commitment to maintain our philosophy of market competitive salaries, while providing a systematic/simpler methodology. For those who argue the sky is falling, we respectfully disagree and again would note the multiple institutional priorities of:

- maintaining low tuition to maximize access by traditionally under-served populations;
- expansion of full-time faculty and staff as enrollments grow to ensure consistency and quality to those we serve;
- maintaining competitive salaries and benefits for all employee groups;
- ensuring state-of-the art technology and capital equipment for instruction and college operations;
- enhancing the success of students in meeting their declared educational goals;
- acquisition of property to facilitate future growth and expansion of the district (funded by bond program, bonds are restricted to facilities improvements).

BUDGET FY11

While ACC is enjoying significant growth in student enrollment, the college must address declining state financial support and reduced income from district tax valuations. The state requested, and the college has submitted, a plan for a 5% reduction of state revenues for FY10 and FY11. Recall that over one year ago, the administration shared this likelihood with faculty and staff, and was criticized for being overly cautious and pessimistic. The college expects these funding challenges to continue due to the continued economic climate. While we can be confident that the college's good fiscal planning is what has allowed us to not lay off employees or cut salaries (as others are doing), we can also celebrate our success in annexation initiatives during a difficult economic climate. Revenues from annexations are dedicated to providing facilities and services to the newly annexed areas. This means the college has to continue to carefully manage its budget to address the growing and competing needs of the college during a slow economic recovery.

As was done last year, Budget Forums (including F-10 focus) have been scheduled on the campuses and employees are encouraged to attend. The objective of these forums is to share with you the Budget Planning Assumptions, the process for creating the FY11 Budget and the proposed revisions to Board Policy F-10.

Remaining Budget Forums are scheduled as follows:

Wednesday, February 24, 9:30 a.m.	RVS, Room 103, Building S
Wednesday, February 24, 1:30 p.m.	SVC, Room 133
Thursday, February 25, 10:00 a.m.	SAC, Room 1130
Friday, February 26, 10:00 a.m.	RGC, Room 314

BOARD POLICY F-10 UPDATES

Revisions to this Board policy were discussed in the memo of January 28, 2010. The Budget Forums also provide the opportunity for employees to further discuss the revisions. The college has devoted significant resources to achieving Board compensation targets for all employees. The revisions to the policy seek to streamline the methodology for maintaining market competitive salaries; the administration's commitment to employees continues to be demonstrated in the Board policy and through our daily support of a quality teaching and learning environment.

The revisions to the policy are as follows:

1. There are minor language changes to the policy regarding **classified and professional-technical employees**. Both the Classified and the Professional-Technical employee associations have shared with the Board their agreement with most of the proposed revisions.
 - The administration has recommended eliminating the cost-of-living language and replaced it with "an annual increase approved by the Board." We believe it is better to have a consistent annual increase rather than to have employees fluctuate up and down based upon the CPI. The cost of living last year was negative and thus, if increases were tied only to the cost of living, employees might not have seen an increase approved by the Board. By making it broad, the Board can take into account other factors such as the economic climate, what other colleges are doing, etc.
2. For full-time faculty, the administration recommends continuing to use the survey of the Texas Community College Teachers Association (TCCTA). The TCCTA survey collects actual data from the eight metropolitan community colleges and thus, ACC would not have to duplicate efforts to secure this data.
 - The administration remains committed to maintaining full-time faculty in the top three of the metropolitan community colleges at the bachelor's, master's and doctorate levels and in each of the six sectors. On average, ACC is number one.
 - The administration has recommended using actual data and has eliminated the reference to averages.
 - The administration recommends including El Paso Community College. It is typically included in the metropolitan community college listings.
 - The administration has recommended the continued use of the MA+24 and MA+45 categories for salary grid purposes, but not collecting actual data in these

categories due to inconsistencies in reporting to the TCCTA. These categories are easily inferred from other TCCTA data in a systematic grid.

- We have not found any surveys or data that contradict the results of the TCCTA survey. ACC full-time faculty salaries are in the top three of the Texas metropolitan community colleges and the administration remains committed to this goal (which it established).
3. For adjunct faculty, the administration recommends using the TCCTA survey and salary grids from the eight metropolitan community colleges.
- While the current policy requires including local colleges and universities, the data and methodology for analysis have multiple challenges given the differences in institutional practices. We are only able to secure salaries from two of the six local colleges and universities since most of them are private.
 - Community Colleges are funded differently than four-year institutions.
 - Best practices in compensation would compare ACC to like institutions of similar size, mission and funding.
 - The local institution with the largest number of adjunct faculty is St. Edward's University with 179 adjunct faculty. Among the Texas metropolitan community colleges, the lowest number of adjunct faculty is 649 (San Jacinto) and the highest number is 2228 (Dallas CCCD). The community colleges are more equivalent to the number of ACC's adjunct faculty (1220).
 - The last compensation survey of adjunct faculty salaries indicated that ACC's rates are comparable to St. Edward's and Texas State University.
 - The last survey also indicated that ACC provides many benefits that other college and universities do not provide for adjunct faculty. This point is made as a reminder that, even with differences of opinion regarding methodology, individuals should be fair in recognizing the many workplace practices that only ACC provides to adjunct faculty (and for obviously good reasons).

It is unfortunate that a recent flyer sent to adjuncts asserted, "Adjunct Faculty- your salaries will be frozen or cut because the Board believes ACC Adjuncts are (get this) overpaid and you will never receive another raise as long as you work here." There is no budget recommendation to cut adjunct faculty salaries. Each year the Board determines the annual increase and has treated all employees fairly.

F-10 CHART/BUDGET REFERENCE MATERIAL

For the upcoming Board meeting the administration has provided a chart that reflects the proposed changes, rationale for the changes and the specific responses of the employee associations. The chart is located on the ACC website so that employees can view the responses of the administration and employee associations. We want to ensure that the context is appropriately presented for everyone.

Information regarding the budget is located on the ACC website at <http://www.austincc.edu/busdept/> and the chart on the revisions to Board Policy F-10 and compensation information is located at <http://www.austincc.edu/hr/compensation/>.

The discussion regarding Board Policy F-10, Employee Compensation is about methodology, and we regret that some are intent on representing it as an indictment of the very board and administration which has devoted several million dollars to achieve market competitive salaries for all employees. This administration values all employees and will continue to ensure that all employees are paid fairly and competitively. The Board has shown its support for employees by approving an across the board increase last year at a time when most institutions were not giving raises. Because the administration supports employees, we have not recommended cuts or layoffs. The Board and the administration have maintained a position of positive pay for all employees. With the proposed changes to Board Policy F-10, Employee Compensation, the administration remains committed to maintaining market competitive salaries for all employee groups.

We will continue to keep employees informed as we develop the FY11 budget.